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C O N F I D E N T I A L SECTION 01 OF 02 PORT MORESBY 000237

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FOR EAP A/S HILL FROM BOB FITTS, STATE PLEASE PASS U.S. PEACE CORPS

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SUBJECT: SOLOMON ISLANDS: CLOSING PEACE CORPS SAVES LITTLE, MAY COST MUCH

REF: A) PORT MORESBY 203 B) JUNE 7 CROWLEY-FITTS E-MAIL

CLASSIFIED BY: Robert Fitts, Ambassador, U.S. Embassy Port Moresby, Department of State.
REASON: 1.4 (b), (d)

1.(C) SUMMARY: Since 2003 when it led a large-scale mission to restore order to a failing Solomon Islands, Australia has asked for US gestures of support for the mission. Given the enormous respect for the U.S. left over from WWII, even rhetoric has an impact.

2.(C) In 2000, Peace Corps suspended its program in Solomon Islands because of the deteriorating situation. However, it maintained its Honiara office which is essentially rent free courtesy of the SIG. After the restoration of order in 2003, other volunteer organizations gradually resumed operation. Peace Corps did not. During every visit to Solomon Islands in the past three years, Australian officials requested that Peace Corps resume at least a token program as a sign of support.

3.(C) In April of 2006, rioting followed selection of an unpopular prime minister. The rioting did much damage in the capital, Honiara, but did not touch any other part of the country. Nor did it endanger non-ethnic Chinese. The government subsequently installed appears, at least in rhetoric, set to seriously complicate Australia's mission (ref A).

4.(C) We understand that Peace Corps now proposes to formally close its program in Solomon Islands. This is an understandable reaction to the recent violence, which shows underlying tension still remains in the capital despite three years of Australian effort. However, it also sends a very negative signal to the Solomon Islands public about U.S. support for Australia's mission. When Embassy Canberra mentioned the plan to close the S.I. Peace Corps office, DFAT reacted strongly, worrying that the closure at this sensitive juncture might convey "U.S. disinterest and disengagement in S.I.". DFAT instead requested that the U.S. consider resuming the Peace Corps program.

5.(C) Especially given the small cost involved, I earnestly urge that Peace Corps find a way to at least keep the Honiara office in stasis, as it has for five years. END SUMMARY

Background:

6.(SBU) Solomon Islands is the weakest of the Pacific nations immediately surrounding Australia. Increasing ethnic conflict culminated with a forced change of government in June, 2000. Then things got worse. Continued ethnic troubles undermined all

government institutions and rendered the police dysfunctional. The economy fell roughly by a third and in 2003 even the politicians gave up. By unanimous vote, parliament invited intervention. In July 2003, Australia led a police-centered intervention force (RAMSI) with substantial help from New Zealand and token contributions from other neighboring states. Order was quickly restored. Australia then set out on the long-term task of rebuilding failed government institutions.

7.(SBU) In April, 2006, riots sprang out in the capital Honiara, following the selection of a Prime Minister who was widely unpopular with ethnic Malaitians, migrants from another island who form the bulk of the capital's population and who had touched off the ethnic problems that had torn the government apart six years previously. Though the incident showed that real tension remained under the surface in the capital, it is notable that no incidents were reported elsewhere in the country.

8.(C) The Australian-led Solomon Islands police force was caught off guard by the violence and a number of Australian officers were injured. The rioting centered in China town in reaction to allegations that Taiwan had been paying off the now-rejected new Prime Minister. Other than policemen and ethnic Chinese, no foreign nationals were targeted or injured.

Volunteers in the Happy Isles

9.(SBU) During the 2000 ethnic troubles, most countries drew down their volunteers working in what had been styled since 1978 independence as the "Hapi Isles". Some volunteers remained in the outer islands as much of the violence was confined to the capital. Since the advent of RAMSI in 2003, Australia, New Zealand, Japan, and the UN had gradually reflatated their volunteer programs. Peace Corps had suspended its program right after the June 2000 coup and the program has remained suspended since. The old office, furnished rent-free by the government (well, one dollar a year), remained closed, looked after by two

PORT MORES 00000237 002 OF 002

part time caretakers. A quick check indicates that other volunteer programs have not been cut back after the latest outbreak, though most still remain at well below 2000 levels.

Tough Times for Australia

10.(C) Australia has long sought gestures of US support for the hard work it is doing in RAMSI, knowing the substantial good will the Solomons population still harbors for the U.S. During each of my visits in the past three years, RAMSI and Australian officials have asked for at least a token resumption of Peace Corps as a tangible gesture.

11.(C) The new government installed following the recent outbreak seems - at least in rhetoric - intent on restricting Australia's role (reftel and previous). How this will play out as realities set in remains to be seen. However, in private, Australia does feel a bit beleaguered. Both RAMSI officials and the Australian High Commissioner have since explained to me how useful U.S. gestures of support might be.

Australian DFAT on Peace Corps

12.(C) When we learned that Peace Corps was now contemplating formal closure of its Solomon Island program, Embassy Canberra approached the department of foreign affairs to determine views in the capitol. After three days of formulation/clearance, DFAT response is reported below:

Ms. Nerida King, Executive Officer, Solomon Islands Section, Department of Foreign Affairs and Trade, mentioned to one of our Political Officers today that the GOA believes strongly that the Peace Corps office in Honiara should not close, especially at this sensitive juncture, to avoid conveying U.S. disinterest and disengagement in SI. In fact, the GOA would welcome a decision by Peace Corps to restart its program. If Peace Corp's decision is irreversible, the GOA would greatly prefer to see closure delayed as long as possible.

Recommendation

13.(C) Given the small costs and the potentially large

consequences for an ally helping us around the world, I strongly urge that we find a way to at least maintain the status quo of a suspended Peace Corps program.

FITTS